

MASTER'S THESIS
International Administration
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Impact of China's Aid on Economic Development in Africa: The Case of Cameroon

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Abstract

China's continuous development aid to Africa over the last few decades has been one of the most contentious developments within the region. Saddled on a spirited economic expansion towards enhancing self-reliance capability of African countries, China's aid to Africa has struck the chord to world attention, stunning friends and foes alike. While the friends view these numerous aids as lucrative opportunities for both parties, foes of this partnership are fretting over the potential impact of China's development aids towards enhancing the recipient countries' self-reliance capabilities. Issues such as the continuous utilization of Chinese labour and input during the implementation of such projects, has helped to cast doubt on the very sincerity of its good intentions towards attaining mutual benefit and enhancing self-reliance within these recipient countries.

Despite the growing debate among the friends and foes of this partnership, very few existing literatures have investigated the sincerity of China's aid towards capacity building with emphasis on Employment Creation and Technology Transfer. There is a dearth of literature dedicated explicitly on indicators of Capacity building such as Employment Creation and Technology Transfer.

Amidst this dearth of literature, this research seeks to compliment the few existing literatures on the impact of China's aid towards Capacity building in Africa, by highlighting the case of Cameroon. In order to achieve this, the research explores the China's aid impact on Cameroon capacity building in respect to Employment Creation and Technology Transfer. Primary data from five semi-structured interviews via email with open-ended questions, as well as secondary data such as China White Paper were used in the analysis of the research.

Contrary to previous research findings from the case of Angola, Sudan and Uganda that have both experienced some boost towards capacity, same could not be said for Cameroon. The findings gotten for the case of Cameroon portrays the impact of China's project aid towards capacity building in Cameroon, is at best, still "*insignificant*". Cameroon has been receiving the shorter end of the development stick thus far. In order to change this status-quo so that Cameroon could realize its full potentials, there is the urgent need for reconstitution of the Cameroon political and economical power.

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Acronyms

| | |
|----------|---|
| OECD; | Organisation for Economic Co-operation and Development |
| ODA; | Official Development Assistance |
| NGO; | Non Governmental Organization |
| HIPC; | Heavily Indebted Poor Countries |
| IBRD; | International Bank for Reconstruction and Development |
| SAP; | Structural Adjustment Program |
| GESP; | National Growth and Employment Strategy Paper |
| PRSP; | the Poverty Reduction Strategy Paper |
| MDG; | Millennium Development Goals |
| FOCAC; | Forum on China-African Co-operation |
| DAC; | Development Assistance Committee |
| EADI; | European Association of Development Research and Training |
| CONAC; | Cameroon National Anti-Corruption Commission |
| SDF; | Social Democratic Front |
| AFRODAD; | African Forum and Network on Debt and Development |

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1. Introduction

“We in China always say that you’d better teach someone how to fish than give him fish. The purpose of China’s assistance to Africa is to enhance the self-reliance capability of African countries”, Ministry of Foreign Affairs-China, 2007.

This extract of China’s foreign ministry spokesperson, Jiang Yu’s response to a joint questions and answers session in the wake of recent criticism of China’s foreign policy and engagement with Africa, where she depicted China’s aid to Africa as an enhancer of self-reliance capability, captures the main reason of this research. This issue has captured not just my interest, but it has instigated contentious debates and discussions within academic, media and political circles on the nature of China’s development aid, the African countries that are the main recipients, the reason underneath these aids as well as the impact of these aids to the recipient countries. This has eventually led to the production of substantial wealth of literatures with polarized ideologies on this contentious subject. Prevalent among these ideologies are those who apply the *Political Realism* ideology and *Interdependency* ideology, which are two opposing approach in explaining the nature of the relation between China and Africa.

Applied mostly by Western scholars and critics of China aid to Africa, Political Realism advocates have all castigated China’s aid to Africa as burdensome characterized by “*untied*” and “*rogue aids*” which is guided by China’s interest rather than the need of the recipient. Scholars such as Ian Taylor (2004), Shelton (2001) and Rupp (2008) have all applied this approach when describing the China – Africa relationship. While Taylor (2004) concur that the main impulse behind China interest in Africa are economic and diplomacy, Shelton (2001) on his part depicts China’s engagement with Africa has been driven by three main areas of strategic interest which includes Africa providing a ready market for Chinese products, a resource lagoon for raw materials and oil to embellish China economic ascendancy. China is purported to conceal an imperialist design towards its African counterpart with the objective of gobbling up every dividend in its path, according to Rupp (2008).

While on the other hand, some scholars as well government officials of most of the recipient countries and China annihilate such critic of the China – Africa relation. Alternatively, they

view China's aid to Africa from the perspective of Interdependency theorist which affirms that China's development aid provides lucrative opportunity for both parties. Scholars such as Anshan (2008) aptly refutes such accusations by stressing the reciprocal nature of China's '*new strategic partnership*' with its African counterparts, claiming that its aid policy is motivated by a desire for '*solidarity*' and a '*win-win*' relation, that thus serves the interest of both Africa and China (qtd. in Greber: 2012: p 6).

Cheru & Obi (2010) on their part delineated the China – Africa relations as a golden opportunity for African development bearing in mind the continuous investment in previously neglected infrastructure as well as the large volume of low-interest loans to the recipient countries. These various viewpoints and peculiarities surrounding China's aid to Africa, has eventually led to some scholars asking intriguing questions, fretting over the potential impact of China's development aid to Africa? Does China's aid really enhance the self-reliance capability of the recipient countries?

Enticed by previous research such as Samia Satti Nour (2010) on *Impact of China-Africa aid relation; the case of Sudan* and Guloba et al. (2010) on *Impact of China-Africa aid relation; the case of Uganda*, I opt to research on the prevalence of such peculiarities surrounding China's aid to Africa. However, with most of the previous researches focusing on a general perspective of China's aid relation with Africa, I focused my investigation on the role of China's aid as a capacity builder within the recipient countries in the lights of *employment creation* and *technology transfer*. In order to proceed with this, I developed two hypotheses that will guide the research. Using Cameroon as my case study, a series of semi-structured interviews via email with open-ended questions was conducted with some actors from the main sectors relevant to research leitmotif. Data gotten from the interviews together with some few reliable secondary data were analyzed using *Categorical Aggregation*.

While previous research on cases such as Sudan, Angola and Uganda portrays some boost in capacity building due to their engagement with China, the case of Cameroon was different. The findings gotten for the case of Cameroon portrays the impact of China project aid toward capacity building in Cameroon, is at best, still "*insignificant*". Contrary to the cases of Sudan and Uganda that have both experience some boost towards capacity building due to their relation with China, same could not be aid for Cameroon.

1.1 Statement of Problem

Like most other typically developing and African economies, Cameroon economy relies heavily on a large influx of foreign aid. Since it became a unified country in 1961, Cameroon has received significant amounts of foreign aid, most of it coming from France, the Europe Economic Community and several multilateral agencies (Mbaku, 1994). However, in the last two decade China has increased their foreign development assistance to Cameroon as well as in some other countries such as Sudan, Ghana, Ethiopia, Togo, Senegal and Uganda. These China's aid are somehow motivated and intended to accomplish mutual satisfaction on the part of China as well as Cameroon. Different from the traditional aid donors, China's aid in most cases are intended for grandiose projects such as Sporting Complexes, Friendship Halls just to name a few and it comes with some conditionality. This conditionality as well as the general formalities such as the principle of non-interference that surrounds China's aid to these recipient countries engulfs the part of the problem addressed in this research.

One of such conditionality that has greatly attracted my interest and it is an onus for this research is the fact that most of the implementation and constructions of these projects are mostly carried out by Chinese companies. With the implementation process of most of these aid projects effectuated by Chinese companies, it has developed a huge debate for critics, over the continuous utilization of Chinese labour and input by these companies, which undermines the economic prospect of its relation with the recipient country. With such undermining prospect, critics such as renowned African economist George Ayittey, have questioned the rhetoric of China's aid being a capacity builder when the nature of these aids deal are not transparent, their impact on local economies is outrageous and they offer scan employment opportunities to the recipient countries such as the case of Uganda. These eventually prompted him during a 2010 debate on *China-Africa partnership* organised by The Economist to delineate China's growing engagement with Africa as being an “*old wine in a new bottle*” with a “*Made in China*” label imprinted on it. With that in mind, this research will seek an in-depth case analysis of impact of this China's development aid towards capacity building of Cameroon, while hoping that the findings from this research will assist academicians and politicians to design policies to enhance Sino – African relationship.

1.2 Research Questions

Intrigued by perspectives of actors who employ the Realist approach towards depicting China – Africa partnership as undermining Africa's capacity building through China's principle of non-interference which greatly undermines human rights, good governance, democracy as well as the continuous use of Chinese workers and absence of documented information detailing their aid relations, my interest was greatly aroused in investigating the empirical basis of the impact of such aids towards economic development. While it is obvious that actors such as the Chinese officials as well as most African government officials view this partnership through the prism of Interdependency. They consider this aid as an enhancer of capacity building in Africa, thereby making it very fascinating to find out the perceptions of the main actors in the case of Cameroon on the impact of this aid towards economic development. With that in mind, I have postulated the following research questions which I will seek to investigate during the course of this research:-

- How does China's aid impact Cameroon capacity building in respect to employment creation and technology transfer?

1.3 Research Objectives

The research is somewhat an endeavour which merely intends to add to an ongoing conversation and debate in the political circles as well as in the academics on the issues surrounding China's aid to Africa. The paper will contribute to the aid literature by examining China's aid in the context of a single country, thereby providing additional literature that could be use in contrast to other recipient countries as well as the main OECD development assistance.

Furthermore, this research seeks to enrich students and all those interested in exploring some truly enthralling issues that underlies China's aid to Africa. The research will provide original empirical material (from the interviews) and a contrast between the opinions of stakeholders meld with the China- Cameroon relationship. It is my hope that by arousing intellectual thirst within this domain of studies, one might in the end, recruit more minds dedicated to asking truly relevant and intriguing questions about the present circumstances surrounding China's honeymoon with Africa.

1.4 Significances of Study

The significance of the study will be to:-

- Improve the understanding of the major impact of China's aid to Africa especially in the case of Cameroon.
- Compliment already existing literature on China's aid to Africa. This study could serve as a learning paradigm for both students and actors when one looks at the controversy that surrounds China's aid to these recipient countries.

1.5 Disposition of Study

The first four chapters of the thesis aim at constituting the contextual section for the research. The first chapter introduces the reader to the research problems, questions, significance and objectives. Chapter two will serve as point de departs for the thesis. In this chapter, issues related to the beginning of the Sino-Cameroon relationship will be introduced. While Chapter three and four will simply provide a review on the numerous literatures on foreign aids as well as the theoretical framework grappling this ongoing debate, respectively.

The remaining three chapters of the thesis will constitute the analytical section for the research. Chapter five details the method and data description process used in proceeding with research. Chapter six is aimed at analyzing the data collected in relation to China's foreign aid to Cameroon within the specific sectors. While chapter seven deals with the conclusive section of the thesis.

1.6 Delimitation of Study

This research upholds two major limitations. These limitations include:-

- The research largely focuses after mid 1990s, when China re-engaged its relationship with Africa on building partnerships for mutual benefits on a scale that bewilders the sensibilities of even a keen analyst of these relationships. Implying that, the research will accentuate on contemporary aid relations between China and Cameroon.

- China's aid is closely related to China's foreign direct investment. When one reads through the China's White Paper which is a collation of information about China's aid policy, one will realize that China's has a cross sectional forms of aids. China classifies its aid activities into eight activities which includes complete projects, goods and materials, technical cooperation, human resources development cooperation, medical teams sent abroad, emergency humanitarian aid, volunteer programs in foreign countries and debt relief. Some of these activities are inherently link with China's foreign direct investment thus making it very difficult to single out precisely China's aid. Thus the reader should understand that there is a close relationship between China's foreign aid and investment within the context of this research.
- The research largely focuses on Cameroon which might be a problem since it is a single country and thus the problem of external validity and generalizing the findings. However, the goal of the research is to provide empirical findings for the case of Cameroon which could be used for corroborating the findings, derived from other cases.

Summary

A traditional hunting ground for the United States and Europe, China's interest in Africa has increased exponentially in the last decades. These unprecedented engagements with Africa over the last decades has stroke the chord to world attention, stunning foes and friends alike. While some pundits' view China aids as rogue aids and their engagement with Africa as saddling on a spirited aggressive economic offensive for the search of raw materials to feed the demands of Chinese industries, others pundits view these aids as a lucrative opportunity for both parties.

With this in mind, questions such as the influence of China's aid towards economic development, its approach and actual motives and nature of these numerous aids in particular reference to Cameroon, where highlighted as the main questions that could help define impact of China's aid. With the understanding of the main objective and significance of researching the impact of China's aid to Africa, especially in the case of Cameroon, the next chapter will grapple with a detail background and contextual framework of the research.

2. Background and the Context of the Research

Based on the above introduction on the debate surrounding China's aid to Africa, this section of the research is simply a contextual continuation of Cameroon's development background as well as the scope and nature of China's aid in Cameroon.

2.1 Overview of Cameroon in the Global Financing for Development Context

Over the recent decades, poverty eradication and economic development has become a prominent policy consideration for many countries, especially for developing countries. In the case of Sub Saharan Africa, more than 70% of their population lives on less than \$2 a day thereby placing significant welfare demands on government and NGOs to lobby for development aids. This eventually prompted the UN general assembly in 1970 to agree that, the Global North should make allocation of 0.7 percent of their Gross National Income (GNI) to Official Development Assistance (ODA). However, most of these Global North countries could not attain that 0.7 percent. Though, over decades now, the Global North has continued to affirm their commitment, there is a growing concern over the lack of compliance on their part to fulfil their commitment as regard the allocation of 0.7 percent of their Gross National Income (GNI) to Official Development Assistance (ODA). Today, with the ongoing global economic crisis, many countries in the Global North are now focused on their domestic economies, with their contributions toward international cooperation shrinking as the days goes by. With the proliferation of ODA from the Global North, the outcome has led to unsuccessful financing for development trend in the Global South, which has greatly affected Cameroon (Afrodad, 2011).

Often described as "*Africa in miniature*" since it exhibits all major climates and geographical features of the continent, Cameroon is located south of the Sahara desert with a 2012 population estimate of 20,129,878 and land surface area of 475,440 sq.km. Its location is ambiguous since the English speaking region is located in the West of Africa while the French speaking region is located in the Central of Africa. It is bordered to the north by Chad Republic, to the west by Nigeria, to the east by Central African Republic and to the south by the Republic of Congo, Gabon and Equatorial Guinea.

Just like many other African countries, Cameroon had a period of economic success during the period prior to 1986, with an economic boom that could yield foreign exchange revenue from petroleum and cocoa (Afrodad, 2011). But after that period, in the wakes of the worldwide economic recession, there was a breathtaking fall in the world's foreign exchange due to the abatement in world prices on oil products as well as export products such as cocoa and coffee. With its economy solely dependent on its exportation of its agricultural products, Cameroon's GDP change as of 1987 – 1993 was negative (-2.8%) according to the UK Economist Intelligence Unit country profile report (2007).

However, Cameroon's economic growth picked up again in 1994, after the profound economic crisis. Growth rate averaged 4% between 1994 and 2003, slowed down in 2004 and 2005 with just 2% in 2005, and picked up again in 2006 to just 3.8% (IMF, 2007a). Nonetheless, this economic leap forward was not enough to impact significantly on poverty reduction and economic development. Affronted with such challenges, the Cameroonian government solicited for assistance from the Paris Club and Bretton Woods Institutions through a Structural Adjustment Program so as to combat these challenges. Despite these assistances, the burden of Cameroon's external debt remained unsustainable as the total debt stock stood at US\$7802 million in nominal terms by end of June 1999 (Afrodad, 2011). By May 2000, Cameroon gained entrance into the HIPC initiative, attained decision point in October 2000 and after six arduous years, they attained the Decision Point of the HIPC initiative (Khan & Baye, 2008). Fortunately, the attainment of the HIPC decision point lead to debt relief grant for Cameroon, which included the down payment of Cameroon loans towards the International Bank for Reconstruction and Development (IBRD) (Afrodad, 2011).

Thereafter, the structure of the Cameroon's economy has been changing over time. Being the Cameroon's economic backbone for decades, agriculture is gradually ceding its place to crude oil and forestry commodities as Cameroon's main export. Though a small producer of oil products, in 2005 the oil sector contributed 8.2% of the GDP, while 43% of the GDP was accounted for by the tertiary (service) sector, 29% by the secondary (Industry) sector and 19% from the primary sector which included both agriculture and forestry (IMF, 2007b). Even with such positive growth for almost two decades, with the current trajectory, there was extremely little significance on the economic development of Cameroon.

2.2 Cameroon National Strategy for Economic Development

After obtaining their independence in 1960 from both France and Britain, Cameroon opted for a clear and precise development strategy defined as the *auto-centred and balanced development approach*. This approach was all about self-reliant, growing from within or endogenous formula for development, which was to be cultivated by the people of Cameroon in order to promote economic development and social balances. This development approach lasted to 1984 (Afrodad, 2011) and was replaced by a new approach, named Community Development. Community Development approach centred on the participative process of everybody. This approach seeks to help people to recognise and develop their abilities and potentials toward economic development. But however, with the prevailing economic crisis at the time and also the subsequent Bretton Woods Institutions Structural Adjustment Program (SAPs), it was practically impossible for Cameroonian government to pursue such a development approach. The country poverty rate remained high and the country was in great need of financial resources and aid to help bolster its economic development goals, including basic infrastructures such as roads, hospitals and power plants (Afrodad, 2011). This eventually instigated the Cameroon government to modify their development formula from an endogenous approach which was self reliant, towards an exogenous approach which providing room for foreign financial sources as well as encouraging other countries to invest in Cameroon.

Contemporary Cameroon development strategy is deep-seated in the country's National Growth and Employment Strategy Paper (GESP) with a reference framework for government action over the period 2010 - 2020. It replaced the Poverty Reduction Strategy Paper (PRSP) instituted in 2008 following its non-satisfactory outcomes. PRSP approach was greatly in accordance to the Bretton Woods Institutions HIPC scheme which was been implemented by the Cameroon. The PRSP was simple a tool to help guide the attainment of the MDGs goals. However, with the weaknesses in capitalizing the goals of the PRSP, the Cameroon government formulate a new development strategy which is construe in the GESP with the aspiration of fulfilling the shortcomings of PRSP. This new development strategy seeks to make Cameroon a middle income country, a newly industrialized country, consolidate democracy in the next three decades as well as eradicating poverty in Cameroon. In order to attain these objectives, the country will have to increase investment by improving business climate and governance, the country seeks to maintain high level of economic growth. Furthermore, Cameroon will have to improve its international cooperation by instituting

favourable financial system and policies that could attract and accommodate foreign funding and eventually lead to external interventions and/or supports that will facilitate or catalyse changes. This exogenous formula greatly differs from the endogenous formula implemented after the country attained independence.

2.3 Scope and Nature of China's aid to Cameroon

Immediately after attaining independence, Cameroon established diplomatic cooperation with Taiwan in January 1960 (Khan & Baye, 2008). Nevertheless, after 10 years of diplomatic cooperation with the Taiwanese, Cameroon established diplomatic cooperation with China on the 26 March 1971 and also was one of the prominent African countries that advocated for Taiwanese to cede their UN Security Council seat to China. Henceforth, the end of diplomatic cooperation between Cameroon and Taiwan paved way for a Sino – Cameroonian relationship that has since developed unwaveringly with amicable economic and social cooperation. This relationship greatly captures China's general approach towards its African counterparts. As depicted by Chinese officials during recent 2012 and 2006 FOCAC summits in Beijing, the relations that are established by China with its African counterparts are ensconced on partnership, political equality, mutual trust and win-win cooperation. China affianced its African counterparts, including Cameroon, to serve mutual interest and mutual benefits.

Bilateral cooperation between China and Cameroon covers an array of areas which includes trade, infrastructures, education, construction as well as investments in energy and exploitation of natural resources. Nonetheless, the type of aid provided by China to Cameroon mostly constitutes grants aid and technical assistance, with the first being the 1977 hallmark grant for the construction of Presidential Palace for the president and a National Congress Hall in Yaoundé (Afrodad, 2011). While in 2006, The China Road and Bridge Corporation constructed a 12.8km road in Douala. In 2010, China finalised the construction of the Lagdo Dam in the North region of Cameroon as a result of a concessional loan from China as well as the construction of portable water facility in Douala which provides 150,000 m³ additional water capacities (Cameroon Tribune, 23 March 2010). Furthermore, both China and the Cameroon government have agreed on the possibilities of financing major infrastructure projects such as the construction of a bridge over a Wouri river in Douala and the deep-sea

port in Kribi. According to Afrodad (2011), the following table details and characteristics of China's loans or grants and related projects in Cameroon, by the end of 2009.

Table 1: Chinese Aid to Cameroon from 1996 – 2009

| No | Project | Signature Date | Maturation date | Currency | Interest Rate | Commitment | Disb. rate | 2009 Stock |
|----|--|----------------|-----------------|----------|---------------|------------|------------|-------------|
| 1 | Technical Assistance | 30/08/1996 | 01/09/2015 | USD | 0 | 4,499,775 | 99% | 20 550 500 |
| 2 | Various Projects | 1/05/1997 | 01/07/2016 | USD | 0 | 4,499,775 | 100% | 23 999 999 |
| 3 | Various projects | 16/06/2000 | 01/07/2019 | USD | 0 | 4,499,775 | 98% | 29 496 000 |
| 4 | Military Assistance | 19/12/2000 | 01/10/2010 | USD | 0 | 449,978 | 100% | 1 500 000 |
| 5 | Various Projects | 23/11/2001 | 01/07/2021 | USD | 0 | 7,499,625 | 100% | 50 000 000 |
| 6 | Yaounde Sport Complex | 30/08/2002 | 31/02/2022 | USD | 0 | 8,999,550 | 100% | 60 000 000 |
| 7 | Yaounde Sport Complex | 22/09/2003 | 01/10/2022 | USD | 0 | 7,499,625 | 96% | 48 131 200 |
| 8 | Various Projects | 19/12/2004 | 30/11/2014 | USD | 0 | 4,499,775 | 68% | 20 400 000 |
| 9 | Multi Access Division Code Project How has this been addressed? See Yellow | 30/01/2007 | 21/09/2027 | USD | 2% | 5,249,738 | 91% | 319 285 500 |
| 10 | Commercial contract on supply of potable water to the city of Douala | 13/11/2007 | 31/09/2027 | USD | 2% | 25,648,718 | 90% | 153 462 245 |
| 11 | Backbone project for transmission by optical fiber | 08/07/2009 | | USD | 1% | 52 050 000 | | |
| 12 | Supply of potable water to the city of Douala (phase II) | 06/11/2009 | | USD | 2% | 97 130 000 | | |
| 13 | Bafoussam and Limbe Stadia Construction Project | 05/11/2009 | | USD | 0 | 4,199,790 | | |

Source; "Caisse Autonome d'Amortissement" (Autonomous Public Debt Repayment Fund)

Additionally, China has also extended their aid towards the educational, health, cultural and tourism sectors in Cameroon. At an interview granted to the Cameroon Tribune, 23 March

2010, the Chinese ambassador to Cameroon, Xue Jinwei made mention of the 100 scholarships granted to Cameroonian students by China's government to study in China as well as construction of primary schools all over the country. Furthermore, through technical cooperation agreements which define the modalities of China's concessional lending to Cameroon, a Chinese Language Teaching Centre was constructed in Yaoundé in 1997, under the auspices of the International Relation Institute of Cameroon and the University of Zhejiang, China. The centre trains professionals from diplomatic and foreign cycles and it has attracted several trainees from Central Africa sub region (Khan & Baye, 2008).

Nonetheless, the above mention scope and nature of China's aid to Cameroon has been considered by some pundits such as Davies et. al (2008), as attributes by China to cosy its African counterparts so as to attain their aggressive economic offensive need for the search of raw materials to feed the demands of the Chinese industries as well as markets for their products. They further argued that China's aid commitments and foreign policies are becoming increasingly sophisticated instrument that seeks to entrench China's commercial engagement. Despite the reaffirmation of China's relation with Cameroon as sincere, based upon equality, reciprocal benefits and win – win cooperation by the Chinese President, Hu Jintao during an official visit to Cameroon in January 2007, George Ayittey (The Economist debate on Africa, 2010) still portray this relationship as *old wine in a new bottle* with a *"Made in China"* which is guided by China's interest rather than the need of the recipient. Further issues that have been highlighted by pundits includes the huge influx of Chinese products into Cameroon that has pose a serious threat to fragile local small and medium size enterprises as well as the issue that Chinese companies more often utilizes Chinese labour and input in every project they carry out in the recipient countries. These issues postulated by these pundits, undermines the economic prospect of China's relation with the recipient country and thereby giving room for scholars and politician to fret over the rhetoric of China's aid as being an enhancer of self-reliance or capacity builder.

Summary

This chapter has dealt with the detailed background and contextual framework of the research. Commencing from the growing concern of lack of compliance by the developed countries to fulfil their commitments towards the allocation 0.7% of their GNI to ODA for developing countries, this chapter has provided an overview of the economic development situation of Cameroon. Faced with an economic success during the period prior to 1986, Cameroon opted

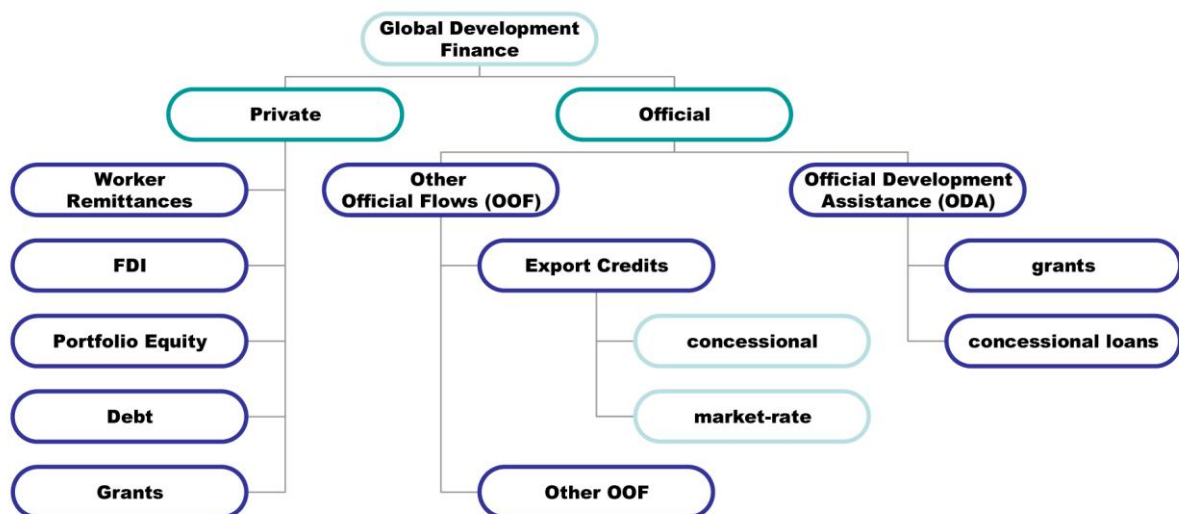
for a development strategy that was more endogenous formula for development. But with the economic crisis due to the decline in world prices for oil, cocoa and coffee, Cameroon faced a herculean task in carrying on with this development strategy. With such circumstances, the Cameroonian government requested for assistance from foreign actors. This eventually lead to the re-definition of their development strategy into an exogenous formula which accommodate foreign funding. Among these foreign actors is China, whose cooperation with Cameroon has since developed unwaveringly with amicable economic and social cooperation within the sectors of trade, investment, infrastructure and education. With the above notion and scope of the contextual framework of the Sino – Cameroon relationship, the next chapter will dwell on issues in relation to previous works on the impact and effectiveness of Foreign aid as well as the case of Cameroon.

3. Literature Review

As portrayed by the previous chapters, China's aid to Africa has and continuous to instigate contentious debate and discussion within academic, media and political circles. This could be seen on one side, through the various allegations postulated by Political Realist or foes of China's aid to Africa who view these relationship as an *old wine in a new bottle* with a *"Made in China"*, while on the other side, through the various complementation from some African government officials as well as their Chinese counterparts or Interdependency theorist, who applaud China's aid to Africa. That notwithstanding, there can't be a contemporary research on this relationship without relating it to the continual game of *"ping-pong"* on the impact and effectiveness of foreign aid to these numerous recipient countries. With this in mind, I will seek to grapple within this section of the research, the ongoing debate on the impact and effectiveness of foreign aid, while also throwing some light on some contemporary issues surrounding China's foreign aid.

3.1 Dimension and effectiveness of Foreign Aid

The record of foreign aid in promoting economic development has been, at best, a mixed one. For the past 30 years, we have witnessed massive effusion of studies on the effectiveness of foreign aid. This topic has and continuous to be a salient issues with which many scholars advocating for different paradigms of development thinking, have grappled with. However, it is very important to highlight that the international financial architecture, is made up of many different kinds of aid flows, as depicted by the diagram below.



Source; Global development finance by Deborah Brautigam (2011).

From the above diagram, one will realise that there exist two main channels and multiple flows through which global development finance are channelled to the recipient countries. However, for the purpose of this study, we will focus on the official development finance channels which include Official Development Assistance (ODA). Consist of funding given to developing countries to improve their welfare and economies, ODA are presumed to be concessional funding that involve genuine subsidy from government.

However the rationale for donors to give development aids can be explained through different political, developmental, and economic mindset. With the traditional motives being the improvement of the economies and welfare of the recipient countries as stipulated above, other motives includes a means throw which donors enhance their economic relations and commercial interest in alignment with that of the recipient. Furthermore, another compelling motive for the provision of development aid which is very trendy among donors is the issue of interference i.e. the issue of conditionality and/or attaining or upholding certain specific domestic policy in order to eligible for some development aid. Popular among the traditional donors and the Bretton Wood Institutions, their provision of development aid are aimed at influencing the recipient countries domestic policies more less separated from the actual motive for giving the aid.

Apart from the above mentioned motives of giving aid, over the past decades, development has played and continuous to play a vital role in offering external aid flow to recipient countries. For the majority of the Sub Saharan African countries, it is generally presumed that development aid represents a vital external source of finance to supplement internal expenses as well as an enhancer for economic growth. In spite this general perception of development aid, the genuity and effectiveness of such development aid within the recipient countries, remains an apple of discord. While it is widely believe that such will help revamp economic development in the recipient countries that has not always been the case. Compounding the growing concern over the lack of compliance on the part of most traditional donors to fulfil their committed as regard to the allocation of 0.7 percent of their GNI, it is very crucial for both the donors and recipient country to ensure that every penny of development aid is use effectively.

Inquiries on the impact and effectiveness of such funding have been approached from different methodological and ideological perspectives. From the numerous wealth of literatures on aid effectiveness, one will realise that the two major salient approaches used by scholars has been the evaluation of aid at *the macro – microeconomic level* and the type of *aid modality and composition*. But unfortunately, most of the existing literature on this topic has fallen short in their analytical framework, to evaluate and the compare the various casual relationships among the various themes within this topic.

Being one of the salient approaches used by scholars, the micro – macroeconomic level for evaluating aid effectiveness, has been subjected to different perspective and justification for aid in the first place. At the macro level of the economy, evaluation carried out by prominent scholars within this field of studies such as Paul Mosley (1980), Burnside & Dollar (1997) and Rajan & Subramanian (2008) have all depicted unsatisfactory and mixed empirical results, towards aid failing to find positive impact at this economic level. While on the other hand, scholars such as Cassen et al., (1994) found positive impact of aid at the microeconomic level. This stance greatly correlates to most of the final reports of donor agencies or governments who re-affirms their success. They measured aid-effectiveness as high at the project level, in the sense that ex-post rates of return are more than satisfactory, but low at the micro level, in the sense that it is impossible to establish any statistically significant correlation between aid flows and increases in growth across a sample of recipient countries (Mosley, 1980).

This contradiction has given rise to the most tenacious paradoxes in the aid effectiveness literature namely, the *micro – macro paradox* which was first identified by Mosley in 1987. The reason behind Paul Mosley (1987) advocacy of this paradox lies within the difficulties he encountered in establishing a correlation between aid and growth rate of the GNP in developing countries due to a lot of possible fungibility of the aid into unproductive expenditures in the public sector. Peter Boone (1994; 1996) further acknowledges Mosley result on micro – macro paradox. After reviewing aid flow to more than 95 countries, Boone uncover that, virtually all aid goes to consumption and that these aid does not increase investment and growth or does it benefit the poor. This uncovering of Boone was aptly delineated colourfully, by the Economist (10 December, 1994) as “*aid is going down the rat hole*”. Nonetheless, this contradiction on presume impact of aid that prevails between the microeconomic and macroeconomic levels has made it difficult for scholars to generalise the

likely outcome of aid effectiveness. Michalopoulos and Sukhatme (1989) conclude that the cross-country evidence is ambiguous when analysing aid effectiveness from both the micro and macro level of the economy. While, White (1992) on his part asserts that we know surprisingly little about aid's macroeconomic impact thereby making practically difficult to generalise the possible outcome.

Given the continual failure to establish link between aggregate aid and growth, another salient approach that has been used by some scholars is type of aid modality and the composition of the aid. Traditionally donors have provided aid either through financing specific projects (project aid) which often involve the donors direct participation in the designing and implementation process or through providing support to recipient countries budget while imposing conditionality on how to allocate these resources. Not surprisingly, given the ambiguity in their justification and categorisation of the various types of aid modalities, there has been a huge debate on the preference of which type of aid could impact growth, most. Some studies depict evidence in support of project aid as oppose to budget support and vice versa.

Clemens, Radelet & Bhavani (2004) on their part, found that different types of aid modality and composition of aid can have distinct impact on growth. They further argued that, aids through budget support which goes to support recipient countries budget for productive investment and aids through projects such as the construction transportation or communication systems, are likely to have a short term growth impact. While aid provided through technical cooperation or assistance to the recipient social sectors such as education, health and aid to promote democracy, are likely to have a long term growth impact. While Cordella and Dell Ariccia (2001) on their part, found out that project aid is a better (worse) instrument to alleviate poverty than budget support conditionality when aid programs are relatively large (small) with respect to the recipient's country resources and recipient governments are relatively less (more) socially committed.

In corroboration with this, a prominent Zambian economist Dambisa Moyo has been a fierce opponent to developmental aid. She depicts aid as the "*single worst decision of modern development politics*". In her book, *Dead Aid* she argues that the provision of aid, more precisely government to government bilateral and multilateral aid which are mostly in the form of budget support, has help to fortify kleptocracies, corruption, aid-dependency and a

series of detrimental economic effects and vicious downward spirals of development in Africa. Furthermore, she argued that this easy money that comes in the form aid offers most of these recipient governments an exit from the contract between them their electorate: the contract that states that they must provide public goods in exchange for taxes. In short, it *"allows the state to abdicate its responsibilities toward its people"*, according to Moyo (2009). However, Moyo was fast to highlight a prescription that could help remedy the situation. She called for increase trade and foreign investment, just like the case of China's blossom role in Africa.

Contrary to Moyo argument, Rajan & Subramanian (2005) two prominent economists at the World Bank, provided some empirical evidence that the impact of aid on GDP growth is positive and significant in recipient countries, only in cases where these recipient countries have *"sane"* institutions and economic policies. In cases where these recipient countries have *"insane"* institutions and economic policies, they argued that the impact of aid on GDP growth will be less or insignificant. They formulated the premise for their argument on *selectivity in aid allocation*. With keen interest in these salient approaches, they further made a case about the impact on the growth rate of conditionality schemes which usually tailgate this aid. Through their analysis of the conditionality for aid provision by the donors which could be for political or economic reasons, these scholars feels that, it limit as well as hamper aid effectiveness (Rajan & Subramanian, 2005). However, both authors believes there is still room for improvement all depending on how the aid is delivered, to whom, in what form and under what conditions.

3.2 China Foreign Aid to Africa

China's official development finance in Africa mostly consists of grants, zero-interest loans, debt relief and concessional loans as well as preferential export credits, commercial loans and loans from Chinese banks, as depicted on the global development finance diagram above. Grants (which are rarely given as budget support) and zero-interest loans were the primary instruments of China's official development aid until 1995 when concessional loans were introduced (Brautigam, 2011). Nonetheless, a zero-interest loan still remains the citadel of China's aid with the China Eximbank and China Development Bank overseeing and providing the bulk of the China's overseas finances. Both banks operate as part of Beijing's portfolio of instruments to support China's own development goals (Brautigam, 2011).

Nonetheless, as previously mentioned, there is a huge wealth of literature deliberating on China's aid to Africa. A few scholars such as Peter Kragelund (2008) and Deborah Brautigam (2008) as well as the recently released paper and media-based dataset of China's aid/finance by AidData project, have matured estimates of China's aid to Africa, bearing in the mind the absence and lack of transparency within this sector. Nonetheless, both Kragelund and Brautigam concur that, even though China is one of Africa's major aid donor, aid flow from China is still relatively small when compared to aid flow for DAC members even though the continuous financial crisis and euro turmoil has had its toll on several DAC members' government to tighten their budget.

Apart from maturing estimates of China's aid, scholars have been very critical of Chinese policies with regards to the nature, modalities and composition of the aid. A good example of such scholars includes Penhelt (2007) who is concerned about China's non-interference policies thereby prompting China not to take into consideration the quality of governance in the recipient countries thereby implying that, China is willing to provide aid to unstable, problematic and rogue countries without taking into consideration the level of governance. Nonetheless, no one has attempted to provide a statistical correlation to stiffen their claims that China provides aid with little or no regards on the recipient quality of governance.

Despite such criticism, scholars such as Davies et al. (2008) acknowledge the controversial role of China's aid to Africa, but however, they depict the front role played by China in the economic development of recipient countries such as Angola and Sudan. They depicted China's ongoing relation with both Angola and Sudan as that of mutual benefits. To further cradle this stance, Samia Satti Nour (2010) whose work greatly enticed me to carry out this research, discovered that even though there are some lapses within the parameters of China's aid to Sudan, China's funding and implementation of projects aid in Sudan has had positive impact for instance, increase availability of the services, increase in skill level, increase or growth in production, increase in transfer of knowledge, increase availability of machines, equipment and raw materials, increase in employment opportunities, improve training and capacity building in these projects and increase in technology transfer especially for multipurpose development tasks.

While Guloba et al. (2010) research on China's aid to Uganda further cradles some major positive impacts of Chinese aid to Uganda. However, they went further to highlight some

major concerns surrounding China's aid to Uganda which includes the marginal employment of the locals and the continuous utilization of Chinese expatriates where these projects are effectuated. Nonetheless, their findings indicates that China's aid which are mainly in the form of technical assistance through trainings in Chinese institutions, grants, interest free loan, preferential loans, debt relief have all gone a long way to reduce Uganda's external burden and hence, have had a positive impact on the Uganda peoples' welfare. Wang et. al (2010) on his part further delineate such positive impact of China's aid by making references to China's substantial funding of multipurpose development project in sectors such as power (hydropower) and transport (railways and motorways) which are sectors within recipient countries that attracts relatively small assistance from traditionally donors.

Nonetheless, very few studies in the Cameroonian literature have focus on the impact of China's aid to Cameroon. For instance, Khan & Baye (2008) research on China economic relation with Cameroon where they portrayed this interaction as engendering both winners and losers among relevant stakeholders in Cameroon. But nonetheless, no studies as actually focus on the impact of these China's project aid as capacity builders to Cameroon, thus, making it interesting and important to fill this gap in the literature on Sino-Cameroon relations.

Summary

From the above, one will realise that the debate on aid effectiveness towards promoting economic development has been, at best, a mixed one. With numerous wealth of literature, two major salient approaches have been utilized by most scholars within this field of study in evaluating aids effectiveness, namely :- the *micro – macroeconomic level* whose paradoxes as depicted by many studies, portrays positive and beneficial impacts of aids at the microeconomic levels, contrarily to the macroeconomic levels and the *aid modality and composition* which could either be project aids which seems to be type of aid provided by China or budget support aid which is the case of traditional western donors. However, despite little available data on these numerous project aids provided by China, some recent research has portrayed the positive and beneficial role of China's aid towards economic development in some recipient countries. Nevertheless, the bulk of those researches also highlighted some lapses within the parameters of this aid relationship. With these in mind, the next chapter will dwell with the contextual and theoretical framework on this research.

4. Conceptual and Theoretical Framework

Based on the above literature reviews on aid effectiveness and China's aid to Africa, this chapter will seek to grapple with the conceptual framework underlining aid operationalization and motive. Furthermore, bearing in mind that the aim of the research is investigating whether China's aid is actually a capacity builder in reference to Cameroon, I will seek to rely on the Interdependency theory and Political Realism since they are two of the main ideologies through which main actors formalizes their arguments towards untangle the ongoing situation embedded within this rhetoric of China aid being a capacity builder within its relationship with Cameroon.

4.1 Conceptual Analysis

For nearly five decades, several wealthy donors have been providing aid to African countries. The motive for such aid ranges from different developmental, economic, commercial and political perspectives, which seeks for mutual benefit for both the donors and the recipients. Nonetheless, these aids usually encompass all financial transaction agreement by one government or actor to another. As defined by the Organisation for Economic Cooperation and Development (OECD), aid is referred to:

“Flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount). By convention, Official Development Assistance (ODA) flows comprise contributions of donor government agencies, at all levels, to developing countries (“bilateral ODA”) and to multilateral institutions. ODA receipts comprise disbursements by bilateral donors and multilateral institutions. Lending by export credit agencies—with the pure purpose of export promotion—is excluded” (OECD, 2009).

Undeniably, from the above definition, one will realize that aid relations engulfs the transfer of money, deliverance of goods, projects, programs, construction and debt relief operation to recipient countries. Indeed, foreign aid has become a focus and locus in the recipient countries (Aluko & Arowolo, 2010). This perception has eventually lead to foreign aid been ascertained by donor countries as a foreign policy device, used to corroborate and spread their influence

over the recipient countries, thereby prompting their centre role in strengthening the OECD definition of foreign aid.

Being a product of constructivism, OECD foreign aid definition was formulated by the Development Assistance Committee (DAC) which consists of 23 member namely, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, the United States of America and the Commission of the European Communities. With the OECD definition reflecting their personal principles and notion of socio-economic development, the DAC members pride themselves as being the “*venue and voice*” of the world’s donor community addressing issues surrounding aid, development and poverty reduction in developing countries. This school of thought greatly corroborates with the ideologies of the Bretton Woods institutions. But with China becoming apparent as a viable aid donor to Africa, the aid paradigm appears to be going through a make-over.

Not being a member of DAC, China’s principles on aid donation is very different from that of DAC. Perhaps and in many intriguing ways, Brautigam (2008) was right to promulgate on how China’s definition of aid greatly depicts China’s principles towards achieving poverty alleviation, as well as China’s approach of administering aid differs from the traditional donors approach. China’s definition of aid entails tied aid loans, export credits and tied export credits which contravene the OECD definition of aid, as stipulated above. When merged together with other China’s principles such as their principle of non-interference as well as the continuous lack of plausible political conditionalities, China’s definition of aid has prompted much controversy.

Foreign aid remains a focus and locus concept among the African countries, which craves scholars and politicians to question its effectiveness. Even though aid effectiveness and its conditionalities have been immensely criticized, most of these African recipient countries have commingled with huge indebtedness, irresponsible borrowing practices, corruptions and mismanagement of ODA. When the OECD championed the donor community, there were measures in place, to curtail the above mentioned problems of the African recipient countries. But, now that China has forge its way into the donor community, it appears like the OECD no longer has the five-star power of unchallenged influence and control over it recipient countries.

4.2 Theoretical Framework

A plethora of approaches and theories has thrived within the academic and political parameters to explain aid effectiveness. Ranging from Classical Realism, Dependency theory, Constructivism, Geopolitics theory, Globalism, Idealism and Imperialism, just to name few, all have seek to achieve a scientific explanation of the controversies surrounding aid effectiveness. Nonetheless, this research will adopt the Interdependence theory and the Political Realism which are two opposing theoretical views, predominantly employed by actors to explain the nature of the relation between China and Africa.

Interdependence theory is a broad and complex theory that was postulated during the 1970's, when the Political Realist perspectives on international relations was failing to take into account many of the new aspects of interstate relations (Brenner, 2000). Though the underlining settings of this theory have changed over time, the basic principles of this theory have remained the same. Interdependence is generally defined as mutual dependence between two entities. All depending on the theme, some scholars such as Benson & Niou (2007) and Masterson (2009) for instance have associated the concept of Interdependence with peacemaking or conflict escalation during the process of trade. While Robert Keohane & Joseph Nye (1977) on the other hand, depicted Interdependence as a situation whereby, states or actors are determined by external events in a reciprocal relationship with other states or actors, jointly limiting their autonomy. Created through the expansion of international transactions, with the benefits exceeding the cost, this description of Interdependence by Robert Keohane & Joseph Nye greatly captures the current nature and scope of the China – Africa relation in accordance with the arguments postulated by friends of this relationship.

According to friends of this relationship, China – Africa relation is a reciprocal relationship where both actors are dependent on each other. Though the scope of the relationship is not similar i.e. China seeking raw material and market for its product and Africa seeking development assistance, both actors are simultaneously dependent on each other. Both actors can affect each other through their own resources i.e. China has the financial resources needed by Africa while Africa on the other had has the natural resources and the market needed by China. This perception greatly captures Eneka (2011, p 44, 53) depiction of the China – Africa relations. He aptly portray this relation as Interdependent whereby he depicts Africa as a poor and underdeveloped actor in search for financial resources and China as a relatively

better off actor who is in dire need of raw materials, market and support. Thereby, implying that if China provides the financial and infrastructure resources needed by Africa, the spillover effect will eventually lead to increase employment creation and technology transfer which are all capacity building indicators, that depicts growth.

However, it is important to be mindful of the fact that, this reciprocal relationship must not necessarily be symmetrical. Though depicted as mutually dependent on each other, one should be careful not to assume that Interdependence is an evenly balanced relationship. Robert Keohane & Joseph Nye (1977) used a very comprehensible example whereby actor *A* maybe dependent on actor *B* with respect to oil and actor *B* maybe dependent on actor *A* with respect to food. Though both actors are depending on each other, it is wrong to describe such a situation in which the control of actor *A* over actor *B* with respect to food is “balanced” by actor *B* control of actor *A* with respect to oil.

Contrary to the Interdependency theorist, the Political Realist view foreign aid as the reflection of donor's state national interest. It assumes that all nation-states are motivated by national interests or at best, national interests disguised as moral concerns. In essence, they reduce the political ethical principle that “*might*” is “*right*”. With its long history, the Political Realism ideology is embedded in works of Thucydides' *Peloponnesian War*, Machiavelli's' *The Prince*, and others such as Thomas Hobbes, Spinoza and Jean-Jacques Rousseau, followed by a great dramatic portrayal of this theory in Shakespeare's *Richard III*. These various strands of this theory have all developed different themes within this theory, but nonetheless, all themes continue to share some pedigree of resemblance.

From this stance, Political Realist who mostly encompasses pundits of the China-Africa relation, view foreign aid differently from their Interdependence counterparts. According to Robert Keohane & Joseph Nye (1977), Political Realist view foreign aid as national interest, since Realist uphold that international politics is a struggle about power and influence (qtd. in Greber: 2012: p 12). Furthermore, McKinley and Little (2006: p 237) re-affirmed this stance by depicting foreign aid as an instrument of foreign policy, which is designed to promote their interest of the donors, rather than that of the recipient. This greatly captures the framework of the formulation of OECD working definition of foreign aid as explained above.

Formulated in accordance to DAC member's personal principles and notion of socio-economic development, aids issued out are intended to orient the recipient countries in the direction preferred by the donors. This ideology eventually prompted Hans Morgenthau (1962: p 309) to argue that "*policy of foreign aid is no different from diplomatic or military policy or propaganda; they are all weapons in the political armoury of the nation*". In this respect, the motive of aid does seem to be mix political and economic desires of donors (Greber, 2012). This eventually implies that, despite their provision of aids, they actually do not lay emphasis on the impact towards capacity building in these recipient countries, but seek to promote their national interest.

4.3 Hypothesis

From the above, one will realise that contemporary China – Africa aid relations cannot be perfectly explained by one theoretical model. Advocates of China – Africa aid relations such as African government officials as well as their Chinese counterparts view their ongoing relationship to be mutually beneficial to both parties. They view China's core economic and political interest greatly aligns with Africa's zeal to attain economic growth through the creation of jobs and the transfer of technological skills. Therefore implying that, both parties are interdependent on each other in order to attain this goal. Hence, Rupp (2008) concludes that China engagement with Africa is an interdependent relation with little or no political hegemony.

While Pundits such as McKinley and Little (2006) on the other hand, view the China – Africa aid relation through the prism of Political Realist. They believe the relationship is oriented towards China's interest, which was and still the case with the traditionally western donors. This eventually re-affirms their continuous delineation of China's aid relations with Africa as being an "*old wine in a new bottle*" with a "*Made in China*" label.

With this in mind as well as the findings gotten from previous research in the case of Sudan and Uganda the following two formulated hypothesis will guide the studies:-

H1: China's aid to Cameroon will lead to an increase in employment creation for Cameroonians.

H2: China's aid to Cameroon will lead to an increase in technology transfer for Cameroonians.

Summary

From the above, one will undeniable realise that aid relation engulfs the transfer of money, deliverance of goods, projects, programs, construction and debt relief operation. Conceived under the auspices of the DAC members, donation of aid greatly reflects the interest of the donors. But with China forging its way into the donor community, the aid paradigm appears to be going through a make-over. Basing their relation on a win – win cooperation and mutual benefit, China's relation with its African counterpart could be seen through the prism of Interdependence Theorist while on the other hand, it could be viewed through the prism of Political Realist. With this in mind, the next section of the research will commence with the analytical section of this research. The following chapter will dwell with the Research Methodology and Data description.

5. Research Methodology and Data Description

Literally, while academicians and politicians are still catching their breath from China's phenomenal economic leap forward as it is contemporarily being describe by many, China is endlessly expanding the sphere of its external relations, pitch by a huge economic offensive zeal for the search of raw materials to accommodate the craves of Chinese industries. As purported by mostly Western pundits, China is depicted as concealing an imperialistic conception towards its relationship with African countries. By undermining the promotion of good governance, human right and democracy, based upon its principle of non- interference in internal affairs of the recipient countries, the very sincerity of China's good intensions are brought to question. While on the other hand, friends of these relations such as African government officials and politicians have all lavaged praises on their relation with China as a golden opportunity for African development. In fact, this remains one of the greatest reasons why China continues to receive the amicable reception in its ride in Africa. By providing a dynamic alternative to development cooperation, most African countries have found in China a convivial relationship, a vital road map through which to retreat from the numerous and unacceptable western pressures and prescription that comes with their development cooperation.

Nonetheless, the question that still begs for answer is how effective are these numerous Chinese aid towards effectuating and facilitating economic development of Africa and are these China's aid really enhancers of self-reliance capability or are they capacity builders for the recipient countries? In order to answer these questions, I will apply a qualitative case study approach. I believe qualitative case study will ease my investigation of the impact of China's aid by allowing openings for the utilization of varieties of data sources so as to ensure that the main issue under investigation is not asses through a particular lens but rather a multiplicity of lenses which will allow for multiple facets of the phenomenon to be reveal and understood. This will also go a long way to increase the reliability of the research findings. Though, there exist some traditional prejudices against the case study method such as case study being a less desirable form of inquiry than either experiment or surveys, Robert Yin (2003) in his book the *Case Study Research Design and Methods* has aptly tackled these traditional prejudices. Yin sufficiently refute most of these huddles case study researches faces, thereby prompting me to utilize this research approach for my master thesis without

being scared that my research will be considered less desirable or have little basis for scientific generalization.

5.1 Research Design

It is without doubt that, with the above brief description, the research will employ a Case Study approach. As Yin (2003) aptly puts it, one should consider a Case study design when the focus of the study is to answer *how*, when it involves real life behaviours that can't be manipulated, when the contextual condition of the phenomenon study is relevant and also when the boundaries are not clear between this phenomenon and the context. These features greatly correlate with my research since I am seeking to find *how* the China's aid has influence economic development in Cameroon which is a very relevant phenomenon to study.

With this in mind, I will be employing a *Single Case Study* research design whereby the identifiable single case will be China while the embedded unit in my research will be Cameroon. My choice of the single case lies in China's forefront role in providing foreign aid to African countries. After comparing contemporary foreign aid index of the world's leading aid actors, I got to realise that China was one of the most plausible actor to investigate. With some prior research, I further realize that what might best serve my investigation and purpose is to locate a specific country (embedded unit) that have been receiving this foreign aid from China. When I began brainstorming about which country to select among the numerous countries receiving foreign aid from China, it became almost impossible to select a single country. So, I decided to establish three major criteria to guide my selection, namely:-

- The country should have achieved some regional acknowledgement of its influence so that the findings would carry more conceptual weight if shown to apply in the different countries within this region.
- The country should have a high level of diplomatic and commercial engagement they enjoy with China.
- The nature of the country political system and their structure of economic development should make provision for exogenous development strategy.

With the above criteria in mind, Cameroon very much tailored the above mentioned criteria. Cameroon pivotal position between the Atlantic Ocean and the landlocked countries in central Africa (Chad, Central African Republic and Congo Brazzaville), with its shoreline in the hydrocarbon rich Gulf of Guinea, makes it the powerhouse in the Central African region. Furthermore, the country exogenous development strategy has contributed to its frenzy diplomatic relations with China that has been capped by numerous official visits involving top government officials from both countries. In January 2007, China's President Hu Jintao visited Cameroon, while his Cameroonian counterpart, President Paul Biya has made six official visits to China over the 36 years of diplomatic relation.

5.2 Data Collection, Processing and Sources

A hallmark of case study is the use of multiple data sources which is a strategy that enhances the research credibility (Yin 2003). But in order to outline my potential data collection process and sources, and also bearing in mind how difficult it is to find accurate data on China aid to Africa, I need to place limits on the scope of the dependable Variable of the research, which is *Capacity Building*. Though a highly contested concept with different stakeholders not clear on what is meant by this concept, one will agree that Capacity Building is more often understood as a purposeful, external intervention to help strengthen capacity over time. For the sake of clarity within this research, Capacity Building will be depicted as an external intervention or support designated to expedite or catalyse economic development. Hence, in order to perfectly investigate China's aid towards capacity building in Cameroon, one needs to development specific mechanisms that could enable effective assessment.

Indicators are often used in order to address the impact and effectiveness of aids which I intend to redress within China's aid to Cameroon. As Bastia (2000) aptly puts it, Indicators are effective tools for monitoring and evaluating that offer the additional benefits of summarising large amounts of information in a single number or figure, allowing for comparisons across geographical regions or different institutions across time. They often serve as proxies for the changes taking place. However, when left on their own, Indicators have limited usefulness and can be misleading and reductionist (Bastia, 2000). Thereby implying that, the utilization of indicators in order to depict a clear portrays of the impact of China's aid, is best accomplished when qualitative analysis is conducted in parallel to the use

of indicators. This eventually re-affirms my choice of utilizing qualitative case study for this research.

While a detailed description of all the indicators needed in assessing the role of China's aid as a capacity builder in such research is beyond the scope of this research, however it is important to highlight briefly those indicators I intend to use. In relation to the scope of this research, I intend to use employment creation and technology transfer. As for the employment creation, I will be seeking to investigate if actually these grandiose China's projects are job booster so as to create productive employment to better the lives of locals. While as regard to technology transfer, I will seek to investigate the transfer of skills, knowledge, technologies from the China actors to the locals. Nonetheless, due to the scope of the research, time constraint and practical problem related to the difficulties of getting accurate and reliable data, I will limit myself to the above mentioned indicators since they are much better to guide my analysis on the role of China's aid being a capacity builder within Cameroon.

With that in mind, my potential data sources which guided my investigation of the above mentioned indicators will include both Secondary and Primary sources. Bearing in mind the dearth of secondary data that focuses on China's aid toward capacity building, my main secondary sources will be the AFRODAD official document analysing and mapping Chinese Development Assistance in Africa and the European Association of Development Research and Training (EADI) report on The New Presence of China in Africa. The accuracy and reliability of the data/information gotten from this sources are not cross checked with their primary sources as there is no way to that. However, bearing in mind that they are mostly official and scholarly materials used within the academic milieu, I entrust in them.

As for the Primary sources which will be the preeminent data source for this research, I interviewed via email nine different prominent actors from different sectors in Cameroon. Although Cameroon is a culturally diverse country, based on my personal experience and personal observation, these nine interviewees greatly represent the greater perception of most Cameroonian. This is because the interviewees were selected from major sectors which included the Cameroonian government official, opposition party, business sector, consultants, banking and financial institutions, government regulatory authority and civil society. Due to the sensitivity of the research topic, most of the initial interviewee refused to partake in the interview and that is why the government official, State administrator and a member of the

civil society are not identified. In order to give a sense of the affiliation of the respondent, the general sector the interviewees are involved in includes government, academic, opposition party, business sector and civil society. They include:-

- **A Government Official** whose name shall not be disclose in the course of the work. He is currently a high profile executive in Cameroon Ministry of Industry, Mines and Technological Development.
- **A Senior Divisional official (State Administrator)** whose name shall not be disclose as well. He is currently the head of public administration within one of Cameroons' economic vibrant region.
- **A Professor** from the **academic sector**. He is currently one of the head of the department at the International Relations Institute of Cameroon (IRIC).
- **Mr. Tony Che** from the **academic sector**. He is currently a student from the department of Economics, University of Douala, Cameroon.
- **Dr. Nfor N. Susungi** from the **business sector**. He is currently a retired banker from African Development Bank who presently works as an African private sector Consultant.
- **Mr. Emmanuel Nganje Jackai** from the **government sector**. He is currently a senior State Journalist working with the Cameroon National Anti-Corruption Commission (CONAC).
- **Mr. Patrick Sianne** from the **civil society**. His is a former prominent State Journalist who used to work with the Cameroon Radio Television Corporation who lived in China for 5 years and he is presently heading a political movement against the government of Cameroon.
- **Regional activist** from the **civil society**, who advocates for sustainable development in the Central Africa. He is currently the founder of a prominent NGO that has subsidiary offices in all the member countries in Central Africa, with the their main office in Yaounde, Cameroon.
- And the last but not the least, the current 1st Vice President of the main **opposition party** in Cameroon, the Social Democratic Front (SDF) who doubles as a prominent Cameroonian **Entrepreneur**, **Mr. Joshua N. Osih**.

Initially I had intended to carry out an in-depth-field research in Cameroon whereby I was hoping to carry out face-face interview with some actors and stakeholders, but due to financial and time constraints, it was not possible. This field research would have provided me with additional alternative to help crystallize my analysis to a certain extent if in any way China's aid has impacted on economic development in Cameroon. Furthermore, this field research would have provided an opportunity to carry out a case study of one or two of China's project in Cameroon so as to monitor and evaluate if such project actually benefited the community during and after its implementation. Furthermore, I would have gotten the opportunity to further look into the terms of employment, wage/income, poverty reduction and development as well as the spill over effects of such project. This would have help to make my findings as robust as possible.

However, with such shortcoming, I decided to conduct an interview via email with semi-structured open-ended questions that will provide the interviewee room to articulate fully their responses. As Rockman and Aberbach (2002) aptly put it, such approach brings out the contextual nuance of the responses and also probe beneath the surface of a response to the reasoning and premises that underlies it. It also helps develop elicited longer answers. However, in order for my questions not be misinterpreted and to motivate participants to delve deeper into the topic at hand, my questions were stated clearly. I avoided the inclusion of additional information in the questions which could narrow the interviewee's interpretation and constrain their response. These eventually helped me meticulously mitigate the methodological dilemma of details so as to reduce ambiguity and narrowing the interviewee's interpretation and constraint of their responses.

Furthermore, bearing in mind that there are many criticisms towards data gotten from interview via email such as the interviewer not being able to read facial expression and body language, make eye contact or hear the voice tone of the interviewee (visual and nonverbal cues), Denscombe (2003, p51) acknowledges that the quality of response gained through online research is as much as the same as the traditional methods. He argues that the same results were reached in several studies that compared, or conducted, both e-mail and face-to-face interviews. He further argued that, Interviewees via email remained more focused on the interview questions and provide more reflectively dense answers than their face-face counterparts. However, this does not imply that the qualities of face-face interviews are lower, but rather to highlight the benefits of email interview which gives the interviewee time to be

more thoughtful and careful in their responses as compared to went being interviewed face-face.

5.3 Data Analysis

Analysis of evidence remains one of the least developed and most difficult aspects of doing case studies (Yin, 2003). Marshal and Rossman (2011) postulate that, the process of bringing order, structure and interpretation to a mass of collected data is messy, ambiguous, time consuming, creative, fascinating and does not proceed in a linear fashion. However, I will be relying mostly on the *Categorical Aggregation* technique in providing linear and organized analyses for the data collected. It was first postulate by Robert Stake (1995) as technique used in case analysis where, the researcher seeks collection of instances from the data while hoping to construe relevant meaning from these instances. Furthermore, Creswell (2007) aptly describe it, as an informative technique of drawing meanings across multiple instances of the data.

In order to proceed with the analysis of the data, I will design 4 categories which will represent 4 main themes through which the data gotten from the interview will be coded against the indicators. These 4 categories will be based upon the perception of what will be the likely outcome of China's aid towards capacity building through the prism of Political Realist and that of an Interdependency theorist. Forged from the conception that Political Realist regard China's aid to Africa is oriented towards China's interest as explained above, the likely outcome of China's aid increasing employment creation and technology transfer in Cameroon will be *insignificant*. While on the other hand, forged on the conception that Interdependency theorist regard China's aid to Africa as mutual beneficial to both parties, the likely outcome of China's aid increasing employment creation and technology transfer will be *significant*.

However, it is important to be mindful of the mean of *Insignificant* and significant as used above. It is more than obvious that with the effectuation of such grandiose aid projects in Cameroon, it is bounded to create employment opportunities as well as technology transfer for Cameroonians. But the big question is how sufficiently great or important are these changes towards impacting economic development, to be worthy of attention? In regard to that, *significant* as used in the possible outcome of the Interdependency theorist, will denote

changes within these two indicators that are sufficiently worthy of attention. While, *insignificant* as used in depicting the possible outcome of the Political Realist theorist, will denote changes within these two indicators that are insufficient to be worth consideration. The following table shed more lights on this.

| Capacity Building Indicators | Prevalent Ideologies that defines stakeholders perception of the impact of China's aid to Cameroon | |
|------------------------------|--|--|
| | Political Realist Ideology | Interdependency Ideology |
| Employment Creation | Will lead to insignificant increase Theme 1 | Will lead to significant increase Theme 2 |
| Technology Transfer | Will lead to insignificant increase Theme 3 | Will lead to significant increase Theme 4 |

From the diagram above will realise that there are 4 themes. Theme 1 seeks to find evidence within the data that portrays China's aid as haven't created enough employment opportunities for Cameroonian that is worthy of consideration. This perception as stipulated above is forged from Political Realist ideology. Contrary to Theme 1 is Theme 2. Forged from an Interdependency ideology, Theme 2 seeks to find evidence within the data that portrays China's aid as having created enough employment for Cameroonian, that is worthy of consideration. Theme 3 that is forged from a Political Realist ideology, seeks to find evidence within the data that portrays China's aid as haven't lead to enough technology transfer, that is worthy of consideration. While Theme 4 which is forged from an Interdependency theorist ideology, seeks to find evidence within the data that portrays China's aid as having lead to enough technology transfer, that is worthy of consideration.

As delineated above, these themes are meant to detect what kind of impact China's aid has had on employment creation and technology transfer in Cameroon. I will seek to draw instances from the data which I could evaluate within the framework of the indicators guiding

my analysis. This will entail the triangulation of these data from the interviewee so as to construe relevant meaning. It is one of the main methods used by researchers for validation of their data analysis. It will help immensely in establishing a converging line of evidence that will make my findings as robust as possible. Thus, while instances from the data gotten from the interview will be triangulated and coded in relation to these themes, this will allow for the testing of the thesis hypothesis *H1* and *H2*. The result gotten from this test will subsequently help us answer the research question of the thesis - *How does China's aid impact Cameroon capacity building in respect to employment creation and technology transfer?*

5.4 Quality Assurance of Study

There is a prevailing altercation among researchers' on the generality and validity of case study research. Some researchers argue that case study research results are not widely applicable in real life and their research cases are biased since they are subjectively chosen by the researcher. However Yin (2003) aptly refuted that criticism of generality. He presents a simple explanation of the difference between an analytical generalization and statistical generalization. While Statistical generalization is mostly used during quantitative research, he describes analytical generalization as using previously developed theory as a template against which empirical results of the case study are compared.

Nonetheless, though my study has the aspiration of generating a general claims that can be transferred in another case especially within the Central Africa region, we should bear in mind that, aids application is general different and its effectiveness and impact is a highly contested. This eventually renders it difficult to make a general claim that engulfs the aids effectiveness. Furthermore, the embedded case in a study also has a major influence. In cases where the embedded case is rooted to bad governance and corrupt government officials such as the case of Cameroon, the perceptions of the aid effectiveness and its impact by the government will eventually be different from that of its populace. While embedded cases which are not rooted with bad governance and corrupt elites, will in most cases portray similar perceptions from both its government and populace.

It is no secret that the validity of a research continuous to be one of the toughest claims when researching on a complex contemporary phenomenon such as the aid effectiveness. However,

with the growing urgency for aid effectiveness especially in the developing countries, one could say it is a self-defence case study. One does not need to over emphasise importance of this study to both scholars and political actors. But nonetheless there is always the contingency of unpredictable circumstances and I am hoping to overcome that by making sure I procure significant knowledge about the case.

Summary

From the above, one will realise that I will be employing qualitative case study approach in investigating the impact of China's aid towards economic development in Cameroon. With China being the holistic case study and Cameroon being the embedded unit, I will acquire data for my investigation from both secondary sources and Primary sources. The secondary sources include China's white Paper, policy documents, official documents and media reviews. While the primary source includes data gotten from interviews with six actors whom I believe represents the majority perception of the Cameroonians. With these data, I will delve into the analysis of the main themes of my research. I will be employing a Categorical Aggregation technique in analysing this data with the help of triangulation.

6. Findings and Analytical Discussions

This section of research provides the empirical analysis and assessment of the impact of China's aid towards capacity building in the lights of employment creation and technology transfer. This section first will discuss and present the various findings in accordance to the themes. The general concerns and perceptions raised in relation to Theme 1 and Theme 2 as regard the employment creation indicator and that of Theme 3 and Theme 4 as regard the technology transfer indicator, will be highlighted. While, the second phase of these sections will focus on the analytical discussion of the findings.

6.1 The findings and discussion on Employment Creation

Persistent poverty, increase income inequality and slow job growth further exacerbated by the ongoing financial and economic crisis faced by the traditional aid donors, are critical constraints on the socio-economic development of most Sub-Saharan African (SSA) countries. Promoting job growth has and continuous to be a central challenge for most of the SSA countries. With the traditional donors faced with financial and economic crises, China has forged its way into the donor community by providing huge Project aid to the bulk of the SSA countries. However, with such grandiose projects, one will overwhelmingly expect a job booster within the recipient SSA countries. But that is not the case. Though, in some cases such as the case of Sudan, these grandiose projects have booster employment creation according to Satti Nour. The case of Uganda is slightly contradictory to this general perception. In the case of Uganda according to the research carried out by Guloba et al., it was discovered that local residents only provided labour on a marginal scale while a substantial component of the workforce are Chinese. What thus the case of Cameroon presents?

6.1.1 Theme 1

In pursuit to answer the research question and ratify the research hypothesis *H1*, Theme 1 as stipulated above, seeks to find evidence within the data that portrays China's aid as haven't created enough employment opportunities for Cameroonian that is worthy of consideration. Though, viewed from different angles, all the interviewees except for the three interviewees from the government sector acknowledged that there is an insignificant increase in employment creation. The following are arguments and quotes that support the interviewee's perceptions in relation to Theme 1:

Today, with rising labour costs in China and East Asia, Africa holds the potentials with its low labour cost as well as having the youngest and fastest growing population in the world. But however, even with such potentials alongside the numerous provision of aid to most of the Africa countries, one of the interviewee **the Professor** admits that *“hurdles such as corruption, lack of infrastructure and institutions have helped impede job creation in Africa. In the case of Cameroon, corruption and lack of institutions are the main hurdles”*. Implying that, even if the sole motive of providing this aid was for employment creation, Cameroon quandaries with corruption and lack of infrastructures will hinders the mechanism that allows such aid to create employment opportunity.

With similar line of argument to that of the Professor, **The Regional Activist** view the whole China engagement with Africa as a *“rogue deal”* which tends to serve the interest of the Chinese as well as the African government officials. In accordance to the Regional Activist, the government of Cameroon is the reason behind this lack of employment creation. He argues *“that due to high corruption and laissez faire attitude among the Cameroonian government officials, no measures have been taken so as to make sure that Chinese companies’ adhered to 60% employment of nationals as to foreigners when effectuating such projects”*. This he believes is the major issue behind the lack of employment creation. *“With the erroneous governmental system that prevails in Cameroon, the Chinese are using it to their advantage to bring in workforce from China”*, according to **The Regional Activist**.

One would agree with the Regional Activist that, there is a growing negative perception among Cameroonians in relation to the amount of jobs created by these China’s projects. This negative perception has been fuelled by the Chinese construction companies bringing in their nationals to effectuate these projects, instead of employing Cameroonians. According to the Cameroonian government infrastructure contracts, the ratio of locals to Chinese workers is decided after a protracted negotiation, whereby the Cameroonian government requires that a minimum of 60% of the total workforce be Cameroonian. As the Regional Activist aptly describes it, this seems not to be the case. The percentage of Cameroonian workforce in most of these Chinese companies is not up to the 60%. Then the questions that looms my mind is whether the ongoing China – Cameroon partnership a symbiotic one? And if it is, how then can one explain the reason behind a country such as Cameroon that is suffering from high employment cedes jobs opportunities created by numerous China project aid, to Chinese?

In supporting of Theme 1, other interviewees such as Mr. Sianne and Mr. Che made their arguments from another viewpoint. They formulated their arguments in corroboration to China's internal challenges. With high employment rate being one of those problems, they argue that Chinese government are eager to assist her citizen gain employment, through the creation of jobs outside mainland China. To support this stance, **Mr. Che** argued that *"being the most populated country in the world, China's government supports towards its national emigrating to Africa as workers for Chinese companies, has helped to lower demographic pressure, economic overheating and reduces unemployment in China"*, which I couldn't agree more.

To further corroborate this stance, **Mr. Sianne**, altercate that with *"China's government battling the issue of unemployment in China, employing mostly their nationals while effectuating their grand projects aid in foreign countries will and has gone a long way to reduce unemployment in China"*. **Mr. Sianne** is not surprise by this move on the part of Chinese government, bearing in mind their promotion of the *"Go Global strategy"* that was coined by the China's government. This strategy eventually confirms in accordance to **Mr. Sianne**, the reason why the bulk of the employees effectuating Chinese projects in Cameroon are Chinese. However, he was fast to highlight that *"though there are some marginal employments of unskilled locals, the Chinese management only accept to employ a skilled Cameroonian, only when forced to do so by the Cameroonian government"*. China construction companies are known to be adamant for importing its labour all the way from China, rather than recruit local hands, except where and when pressure comes to bear heavily on the Chinese companies for better conduct, according to **Mr. Sianne**. This action greatly undermines the economic prospect of China's relation with the recipient country.

Though in support of idea that China importing its labour forces all the way from China, **Dr. Susungi** arguments indirectly supports Theme 1. He argues that *"Chinese contractors are under very strict guidelines to deliver their projects on time and within prescribed budgetary limits. Consequently, the Chinese contractors believe that in order to meet timelines, they have to bring their work crews from China, keep them in a camp so that they can control their work performance for the duration of the contract"*. According to **Dr. Susungi**, the Chinese generally believe that *"Cameroonians as well as most of their Africans counterparts are lazy"*

and if they include Africans in their work crews they will not be able to control the work habits of the Africans and that will lead to slippages in timetables and eventually into cost overruns” thereby explaining the reason why most labour force during the effectuation of such a brought in from China.

From the aforementioned, it is very clear that the numerous evidence presented from the data above, nullify the research hypothesis *H1*. Bearing in mind that the outcome of previous researches and general perception is that such grandiose aid projects will lead to employment creation, that doesn't seem to be the case of Cameroon. Data gotten from this theme portrays strong evidence of insignificant increase in employment opportunities, which partially answer, our research question.

6.1.2 Theme 2

In pursuit to answer the research question and ratify the research hypothesis *H1*, Theme 2 as stipulated above, seeks to find evidence within the data that portrays China's aid as having created enough employment opportunities for Cameroonian that is worthy of consideration. Viewed from the same angles, all 3 interviewees from the government sector argued that there is a significant increase in employment creation. They (the government official, state administrator and Mr. Jackai) expressed similar perception to that of their fellow African government counterparts that have partnership agreement with China. However, they failed to raise strong evidences for their arguments during the interviews.

The government Official couldn't stop highlighting how much job opportunities these numerous China's aid projects have created for Cameroonians. Though he couldn't provide specific data in relations to the number of Cameroonians employed as compared to their Chinese counterparts during the effectuation of such grandiose projects, he did mentioned that *“every Chinese construction site has Cameroonian labourers working under the Chinese management”*. In order to defend his statement, he referred me to Tacheron, which is a national Sub-Contractor hiring company through which Chinese construction companies just like their foreign and local counterparts, hire most of their workers. Being a company that posses vital data in relation to the kind and conditions of labourers (skilled, unskilled, men, women, age, wages etc) Chinese construction companies hires, numerous attempted was made to interview one or two of their personnel, but to no avail.

The findings above indicate the lack of information on the part of the interviewees from government sectors to actually defend Theme 2. Succinctly, data obtain for this research does not find adequate support to defend these 3 interviewees argument that China's aid to Cameroon has lead to significant increase in employment creation. There is no doubt that this aid may impact some changes with this sector of employment creation as a whole, but with regards to China's aid to Cameroon, this research did not find enough evidence from the data collected for this research. Their evidence presented fell short off supporting Theme 2 as well as Hypothesis *H1*.

6.2 The findings and discussion on Technology Transfer

The significance of technology transfer for economic development can hardly be overstated. The acquisition of technological skills and its diffusion within recipient countries nurture economic productivity growth. This could be seen in the case of Sudan, Uganda and Angola which are examples of African that could best describe and judge their aid relation with China as having been largely successful, when it comes to technology transfer. With the effectuation of China's project aid, there has been an increase availability of physical capital (such as machines and equipments etc) and raw materials. Furthermore, one important implication for technology transfer is the increase of Chinese training (internal and external) programs in these countries. Many of the nationals working in most of these China's aid projects are being trained simultaneously, during the effectuation process of these Chinese aid and development assistance. However, what thus the case of Cameroon presents?

6.2.1 Theme 3

In pursuit to answer the research question and ratify the research hypothesis *H2*, Theme 3 as stipulated above, seeks to find evidence within the data that portrays China's aid as haven't lead to enough technology transfer for Cameroonian, that is worthy of consideration. Though, viewed from two different angles, all the interviewees except Mr. Jackai and The Professor acknowledged that the impact of China's aid leading to technology transfer is insignificant. Once regarded as a laggard in the profiteering acrobatics of international political economy, China is presently punching above her weight in significantly contributing towards defining the contours of the global economic landscape. Despite this economic leap forward, not everyone agrees that these China's development experience or Chinese newly acquired technology is appropriate for sustainable economic development in Africa. With slightly

similar views, **Mr. Osih**, **Mr. Che**, **the Regional activist** and **Mr. Sianne** don't think Chinese technology is appropriate for Africa's benefit. All four describe China as *"not a technological hub, and thus can't transfer the appropriate technology skills needed by Africa"*.

Mr. Osih further noted that *"even though China has built its present economic power on low tech innovation and it did so rightfully when one looks at the results, when one critically examine both countries engineering sector, one will discover that Chinese engineers have the same level of education as Cameroonian engineers"*. Implying there is not much technology transfer possible. However, he was fast to highlight that *"the provision of infrastructure provides an opportunity to increase and intensify Cameroonian development without necessarily being directly induced by the project itself – which hardly ever happens for the obvious reasons given above"*.

While acknowledging China's economic leap forward in the past decade, **the Regional activist** was swift to highlight the fact that, *"though China's engagement in Africa is influenced by China's own development experiences, it is worth to know that there is no one-size-fits-all development approach"*. He went further to question the nature of technology transfer from China and wonder how it could be of help to Cameroon.

Viewed from a very different perspective as the other interviewees, **Dr. Susungi** was very critical on the concept of technology transfer. However, he highlighted that *"as a country which has 50 years of independence, it is up to Cameroonians to decide on how to organise themselves to take over from where the Chinese leave us on turnkey projects which seems not to be the case"*. To further corroborate his stance, he cited the Chinese construction of the Tazara in the 1970s and since then the Zambians and the Tanzanians have learned how to maintain the railway.

This stance to my bewilderment was supported by the arguments put forth by the **government official** and the **State administrator**. Staunch advocates of China – Cameroon relations, both the government official and the state administrator acceded that *"though there maybe some ongoing transfers in technology skills through training of Cameroonians by Chinese in some given projects, however most of the works and repairs are mostly effectuated by the Chinese"*. While the **government official** described China's technology transfer to Cameroon as

“*marginal*”, the **State administrator** used the word “*insignificant*” to describe the process of technology transfer in the case of Cameroon.

This description postulated by these interviewees from the government sector greatly captures the findings gotten by AFRODAD during its 2011 report analysis on the linkages between China’s involvements in Cameroon. According to AFRODAD (2011) final report on Cameroon, technology transfer is still insignificant in the process of China’s aid to Cameroon. In concordance with the argument put forth by the government official, AFRODAD (2011) training of Cameroonian experts and engineers may be possible in a given project, but generally, when it comes to rehabilitation of most of these numerous projects, it is been carried out by Chinese experts. The report further argues though Technology Transfer is insignificant, the country can better absorb Chinese technology through training, which could be applied in non-Chinese projects and insistence during negotiations with China on the association of more Cameroonian experts and other human resources during the execution phase of Chinese projects (Afrodad, 2011).

From the aforementioned, it is very clear that majority of the interviews arguments portray technology transfer to Cameroon as a result of China’s aid, is insignificant. Though, China has pledge to promote cooperation with Africa in the fields of applied research, technological development and transfer as stipulate in the Chinese White Paper, the case of Cameroon seems different. The above findings gotten from the interviews provide strong evidence that portrays insignificant increase in technology transfer. Bewildered by the government official and the State administrator (who are mostly advocates of the China- African relations) stance on this issues, one is contempt to say that this finding, nullify the research hypothesis *H2as well as* partially answer our research question.

6.2.2 Theme 4

In pursuit to answer the research question and ratify the research hypothesis *H2*, Theme 4 as stipulated above, seeks to find evidence within the data that portrays China’s aid as having lead to enough technology transfer for Cameroonian, that is worthy of consideration. Only two of the interviewee Mr. Jackai and the Professor acknowledged that the impact of China’s aid leading to technology transfer is significant.

Though he could not provide specific data in relations support of his argument, and **Mr. Jackai** could not stop at re-echoing China's intention to promote cooperation with Africa in the fields of applied research, technological development and transfer. He argued that, *"while I am not an expert in these issues and can't really give specific examples of such instances that have lead to technology transfer, concords between the China and Cameroon such as the Protocol Agreement that was signed in January 2008 to mark the constructions of a Demonstration Centre for Agriculture in the locality of INKO's farm in Nanga-Eboko (some kilometres north of Cameroon capital city, Yaoundé), is a good example of a situation that has lead to technology transfer"*.

With similar perception to the above towards supporting Theme 4, The Professor on his part acknowledges the flow of technological skills when it comes to the educational sector which he is verse with. According to him, *numerous Cameroonians as well as myself, have had the opportunities to be trained by the Chinese and some of these Cameroonians presently teaching the Chinese language at the Confucius Institute in IRIC*". To corroborate his stance, he further mentioned the taken over by Cameroonian scientist of the Microbiology Lab at the University of Yaoundé, from their Chinese counterparts as a good example. Nonetheless, he was quick to highlight the fact that, *"the issue of language barrier and human resources policies might have negative effect when it come to other sectors within the economy"*.

Though convincing when one look at the educational sector as postulated by the Professor, the data gotten from the interview did not provide the much needed evidence, to support Theme 4. Nonetheless, both interview tried to outline incidences that could have lead to technology transfer. But the question that looms my mind is *"are these incidents sufficiently important to be considered"*?

Summary

The above findings and analytical discussion in relation to China's aid towards Capacity building in Cameroon, seems to be special. While other Africa countries boost of the positive impact of China's aid towards capacity building in their respective countries as anticipated by the Interdependency theorist, same cannot be said of Cameroon. The following table provides a summary of findings for the various Themes.

| Capacity Building Indicators | Prevalent Ideologies that defines stakeholders perception of the impact of China's aid to Cameroon | |
|------------------------------|--|-----------------------------------|
| | Political Realist Ideology | Interdependency Ideology |
| Employment Creation | Strong arguments to support Theme 1 | Weak arguments to support Theme 2 |
| Technology Transfer | Strong argument to support Theme 3 | Weak argument to support Theme 4 |

From the table above, one would agree that according to the evidence got from the data, that the impact of China's aid towards capacity building in Cameroon within the lights of employment creation and technology transfer has been, insignificant. This finding greatly corroborate with the Political Realist ideology of the possible effect of China's aid to Cameroon.

As portray on the table above, the interviews gave very strong arguments to support Theme 1 and 3. While on the other hand, the arguments put forth by the interviewees who felt that this aid has lead to significant increase in employment creation and technology, as stipulated at Theme 2 and 4, transfer was weak. These findings nullify both hypotheses guiding the research. Mindful that both hypotheses presumed China's aid to Cameroon will lead to employment creation and technology transfer, that wasn't the case. Furthermore, these findings doesn't only nullify our hypothesis, but it also provide us with a very lucid answer to the research question on *How does China's aid impact Cameroon capacity building in respect to employment creation and technology transfer?*

7. Conclusion

Indeed, it seems justifiable to say that few relationships have been as controversial, and yet as promising and glutted with potentials as that which glue China and Africa together. In many ways, the China – African relationship has vacillated through both high and low points – the continuous use of Chinese workers, the unbalanced nature of burgeon trade ties continues to looms the psyche of Africans. In fact one cannot help being constantly reminded of the Governor of the Central Bank of Nigeria, Mallam Lamido Sanusi riveting voice:

So China takes our primary goods and sells us manufactured ones. This was also the essence of colonialism. The British went to Africa and India to secure raw materials and markets. Africa is now willingly opening itself up to a new form of imperialism.

...China is no longer a fellow under-developed economy – it is the world's second-biggest, capable of the same forms of exploitation as the west. It is a significant contributor to Africa's deindustrialisation and underdevelopment (Financial Time, March 13, 2013).

Yet, in many ways, China and Africa needs each other. Various forms of China project aid have for instance, contributed in animating the life of Cameroonians. The construction of Hydro-electricity dams and the Gyneco-Obstetrique and Pediatrique Hospital in Yaoundé and Douala has yielded beneficial dividends to the Cameroonians albeit the fractious contestation that often resulted from the continuous used of Chinese labourers during the effectuation of such projects. The construction of the Kribi Seaport on the coast of southern Cameroon is destined to become a mega harbour to serve all of the Central African countries. Succinctly, the China – Cameroon relations contains the good and the bad in all extremes. But the onus of this research was not only to investigate the impact of China's project aid on employment creation and technology transfer, why has the case of Cameroon an “*exceptional*” when most other African countries such as Angola, Sudan and Uganda have all experiences some boost towards capacity building due to their relation with China.

From the data gotten from the interview, it is obvious that the issue of corruption and the lack of institution might be to an extent the internal reason why Cameroon is still receiving the shorter end of the development stick. As the Professor aptly admits during the interview, quandaries with corruption and lack of infrastructures has been hindering the mechanism that

allows such aid to impact capacity building in Cameroon. While the external reason as Mr. Osih aptly highlighted, lies within the fact that the commercial balance is always and will always be tilted in the favour of the Chinese. They're simply making use of a situation that is induced by a lack of political leadership in Cameroon and Africa as postulated by the Professor. Essentially, when one looks at how these projects are identified, evaluated and quantified by Chinese firm, the provision of a near zero interest grant from Exim bank, the utilization of Chinese labour which reduces unemployment in China and thereby increases China's strategic presences globally, all portray multiple level of benefits China reaps from such deals. However, one will agree that it is only Cameroon can be blamed for this state of affairs. If we had an A credit rating and an efficient government as recommended by Mr. Osih, Cameroon would not need to depend on extractive relationships.

In all, this research has painted a somewhat limited exploration of the China – Cameroon partnership within the lights of capacity building. Limited in its scope as well data acquisition, the research has merely gleaned on some very pertinent concerns in relation to employment creation and technology transfer. All what I seek is to enrich students and all those interested in exploring some truly intriguing complexities that underlies this partnership. It is my hope that by wetting intellectual appetite, one might in the end recruit more minds dedicated to asking truly relevant questions pertaining to China – Cameroon relation, which so far, has being under-researched.

Questionnaire

Q1. I will like us to start by you telling me about yourself?

Q2. What comes to mind when asked about China's aid to Cameroon? Which of the Chinese aid project(s) could you identify in Cameroon?

Q3. What sector(s) of the Cameroonian population do you think benefit(s) from such projects? Why and how do the sector benefit from such projects?

Q4. Does these China's aid leads to technology transfer and employment creation which could result to an increase in economic development in Cameroon?

Q5 Finally, how will you characterize the impact of China's aid on economic development in Cameroon?

An example of the Response gotten from the email interview

Q1. I will like us to start by you telling me about yourself?

Q2. What comes to mind when asked about China's aid to Cameroon? Which of the Chinese aid project(s) could you identify in Cameroon?

First of all, you must understand that I have a visceral approach to what you people term aid. For me, there is nothing like "AID". What the Chinese are doing today is not different from what the Europeans have been doing. The Chinese need access to the Cameroonian resources and as well need a market for their products. This has nothing to do with aid. The commercial balance is always and will always be tilted in their favour. This doesn't mean that I have something against the Chinese or the Europeans; they're simply making use of a situation that is induced by a lack of political leadership in Cameroon and Africa. You will realise that the Chinese are strongest in Africa where the democratic deficit is highest. Essentially, if you consider any of the existing projects – what effectively happens is that the Chinese will identify a potential project with their "partner" country, define its feasibility and objectives and then get into an agreement for its realisation. This means that in the case of an infrastructure project (most bilateral aid comes in that form), the Chinese Exim bank would provide a near zero interest grant in the form of "aid" to Cameroon for the construction of a dam. The cost of this dam will be evaluated and quantified by the Chinese firm and since it is not a competitive tender because the finances come from China, the amounts will of course not be break-even but with a comfortable margin that will still be cheaper than a traditional western built dam but will highly cover the Chinese's building company's profit margin as well as the undisclosed interest rate of the Exim Bank borrower. Furthermore, the Chinese will do most of the work entirely with Chinese labour thereby reducing unemployment in China, encouraging the emigration of Chinese on the continent thereby increasing its strategic presence globally as well as reducing its population pressure internally and finally all the transactions are based in China implying foreign currency benefits for China because all of the material including the cement will be brought in from China and paid for by Cameroon in hard currency. There is therefore a multiple level benefit for China in Africa and Cameroon that cannot be termed aid. At best, it can be considered as unfair commerce. But only Cameroon can be blamed for this state of affairs. If we had an A credit rating and an efficient government, we would not need to depend on extractive relationships.

Q3. What sector(s) of the Cameroonian population do you think benefit(s) from such projects? Why and how do the sector benefit from such projects?

All of Cameroon benefits in one way or another from these projects. Although these projects are essentially extractive, what is true is that they are less so than the post-colonial extractive activities that have been going on for the past 50 years and they essentially put in place infrastructure that was long due. This means that although a project would eventually produce electricity at a much higher rate than it should have and would essentially benefit the Chinese commercial balance, in essence, the electricity produced is available for the local population rather than being completely absent. This is already a good point. On the other hand, the Chinese systematically sign contracts ignoring norm terms therefore making it impossible for the local authorities to do objective quality controls. This is also the fact with local content, including subcontractor work and local employment which is to a large extent ignored by the Chinese.

Q4. Does these China's aid leads to technology transfer and employment creation which could result to an increase in economic development in Cameroon?

China itself is not a technological hub. China has built its present economic power on low tech innovation and it did so rightfully seeing the results. Chinese engineers have the same level of education as Cameroonian engineers. SO there is not much capacity building possible but the provision of infrastructure provides an opportunity to increase and intensify Cameroonian development without necessarily being directly induced by the project itself – which hardly ever happens for the obvious reasons given above. If through a dam, a village suddenly gets electricity, its kids get an opportunity to study longer in the day – during the night hours – hence giving that place to contribute more to the human resources problems we have. Also, if a road is build were there was just a seasonal one, the people in that area have a sudden new access to markets and therefore increase their revenues, thereby contributing to the factors of development without passing through the technological transfers we would have wished to happen.

Q5 Finally, how will you characterize the impact of China's aid on economic development in Cameroon?

China benefits enormously of its privileged relationship with Africa and Cameroon. The truth today is that China cannot further emerge without Africa but Africa can live without China. The truth too is that China's actual love story with Africa benefits Africa in a completely

different way. It has helped Africa to better balance its relationship with its traditional European partners and it has also helped to develop a new market for its traditional products. The increased living standards in China have opened an entire new market for cocoa products thereby driving its price on the commodity markets upwards. As long as China replicates the colonial model by importing cocoa to transform it locally into chocolate, Africa will stay where it is. Furthermore, one of the counter effects of the point just mentioned is that the relationship with the former colonial powers evolved into one of tutoring, obliging dark dictatorships to embrace democracy in order to remain in the concert of nations which China is now completely distorting since their “aid” is not at all conditioned with democracy. In contrary, China strives where democracy is latent or dead. What Cameroon needs are inclusive political and democratic institutions and not aid. What Cameroon needs are partners that treat it from a point of equality – which cannot happen when you talk of aid. To get this, Cameroonians can only rely on themselves and as long as we don’t give ourselves the institutions that can bring about emergence and independence and as long as we will continue to allow ourselves being ruled by highly extractive dispositions, we will still have to continue relying on aid that is actually some form of exploitation.

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